



EXECUTIVE SUMMARY

Stansbury Park Improvement District, Utah (the District) recently commissioned Zions Public Finance, Inc. (Zions) to calculate the District's culinary water impact fees in accordance with Utah State Law. An impact fee is a payment of money imposed upon new development activity as a condition of development approval to mitigate the impact of the new development on public infrastructure. In conjunction with this project, Ward Engineering prepared the Water Impact Fee Facilities Plan (IFFP).

The recommended impact fee structure presented in this analysis has been prepared to satisfy the Impact Fees Act, Utah Code Ann. § 11-36a-101 et. seq., and represents the maximum impact fees that the District may assess. As impact fees may only be used to perpetuate the current level of service, the District will be required to use other revenue sources to fund any projects identified in the IFFP that constitute repair and replacement, cure any existing deficiencies, or increase the level of service for existing users.

Stansbury Park Improvement District Water System Overview

SPID and WEID Service Areas

The water impact fee will be assessed to two separate service areas. The SPID Service Area (SA) covers the entire Stansbury Park Improvement District boundaries. The WEID Service Area pertains to a separate water district called West Erda Improvement District which is assigned to the Golden Gardens Subdivision, located approximately 2.5 miles southwest of Stansbury Park, and managed by Tooele County.

Level of Service – Equivalent Residential Unit

Level of service (LOS) defines how much of the culinary water system a typical residential user, defined as an Equivalent Residential Unit (ERU), will need and should pay for with the impact fee. LOS is based upon historic observed water demands per ERU. Impact fee law prohibits the use of impact fees to increase the LOS above the current demands. At times, a water system may need to increase the LOS to cure an existing deficiency but projects fixing deficiencies must be paid for by non-impact fee revenues and a credit must be provided to the impact fee payer. It is assumed that LOS is not increased in this document above historic observed demands.

LOS is calculated in terms of average day demand and a peak day demand. In this document, the LOS per ERU is equated to an average day demand of 633 gallons per day (gpd) for indoor and outdoor demands. Peak day demands have been observed to have a peaking factor of 2.64 (1,673 gpd/633 gpd). This means that on the peak annual day usage an ERU's demand can climb to 1,673 gpd.

The District served 3,349 ERUs in 2013 which is anticipated to grow to approximately 4,712 ERUs by 2023. The culinary water impact fees are calculated by dividing the cost of existing and future projects described later by the ten-year demand increase of 1,363 ERUs. The ERUs served by the District is expected to grow to 6,384 by 2033.

Stansbury Park Improvement District Culinary Water Impact Fee Analysis

SPID Service Area (SA) Culinary Water Impact Fee Calculation

The bottom line of Figure ES.1 shows a total of \$10.7M existing assets and future water costs that will be available to serve new growth, however only \$4.3M of these assets will actually be required to meet the ten-year demand. This cost is divided by 1,363 ERUs that will add to the District over the next ten years and results in an impact fee of \$3,202.75 per ERU. Note that the SPID SA has certain distribution projects that do not benefit WEID SA which are divided by the SPID SA demand of 1,352 rather than the District-wide demand (which includes WEID SA).

FIGURE ES.1: SPID SA IMPACT FEE PER CULINARY WATER ERU

Component	Total Cost to Component	% That will Serve Ten Year Demand	Dollar Amount that will Serve Ten Year Demand	Ten Year Demand (ERU)	Cost per ERU
Source Impact Fee					
Future 10 Year Capital Projects	\$ 3,113,114	75.75%	\$ 2,358,277	1,363	\$ 1,730
Future Source Related Debt to be Issued - INTEREST ONLY	-	0.00%	-	1,363	-
Existing Source Projects	3,023,678	25.00%	755,920	1,363	555
Existing Source Related Debt - INTEREST ONLY	-	0.00%	-	1,363	-
Source Subtotal	\$ 6,136,792		\$ 3,114,197		\$ 2,284.81
Storage Impact Fee					
Future 10 Year Capital Projects	\$ 2,131,583	33.10%	\$ 705,554	1,363	\$ 518
Future Storage Related Debt to be Issued - INTEREST ONLY	-	0.00%	-	1,363	-
Existing Storage Projects	1,334,572	2.00%	26,691	1,363	20
Existing Storage Related Debt - OUTSTANDING INTEREST	-	0.00%	-	1,363	-
Storage Subtotal	\$ 3,466,155		\$ 732,246		\$ 537.23
Distribution Impact Fee					
Future Distribution Projects - SPID/WEID	\$ 601,433	42.00%	\$ 252,602	1,363	\$ 185
Future Distribution Projects - SPID Only	475,961	43.00%	204,663	1,352	151
Future Distribution Related Debt to be Issued - INTEREST ONLY	-	0.00%	-	1,363	-
Existing Distribution Projects - SPID/WEID	-	0.00%	-	1,363	-
Existing Distribution Projects - SPID Only	-	0.00%	-	1,352	-
Existing Distribution Related Debt - OUTSTANDING INTEREST	-	0.00%	-	1,363	-
Distribution Subtotal	\$ 1,077,394		\$ 457,265		\$ 336.69
Professional Services/ Credits					
Unspent Impact Fee Funds (Excluding Uncommitted Funds)	-	0.00%	\$ -	1,363	\$ -
Credit for Projects Benefitting Existing Users				1,363	-
Professional Services Expense	60,000	100%	60,000	1,363	44
Professional Services/Credits Subtotal	\$ 60,000		\$ 60,000		\$ 44.02
Total Impact Fee Per ERU	\$ 10,740,341		\$ 4,363,707		\$ 3,202.75

WEID SA Culinary Water Impact Fee Calculation

WEID SA General Impact Fee Costs

The WEID SA is largely undeveloped, but developers are preparing for growth with the construction of water improvements. Developers will construct the improvements within the WEID SA and those constructing system water improvements will be reimbursed through developer agreements.

The impact fee calculation for the WEID SA is similar to that of the SPID SA described above. The bottom line of Figure ES.2 shows a total of \$10.3M existing assets and future water costs that will be available to serve

Stansbury Park Improvement District Culinary Water Impact Fee Analysis

new growth, however only \$4.2M will actually be required to meet the WEID SA's ten-year demand. This results in an impact fee of \$3,051.39 per ERU.

FIGURE ES.2: WEID SA IMPACT FEE PER CULINARY WATER ERU

Component	Total Cost to Component	% That will Serve Ten Year Demand	Dollar Amount that will Serve Ten Year Demand	Ten Year Demand (ERU)	Cost per ERU
Source Impact Fee					
Future 10 Year Capital Projects	\$ 3,113,114	75.75%	\$ 2,358,277	1,363	\$ 1,730
Future Source Related Debt to be Issued - INTEREST ONLY	-	0.00%	-	1,363	-
Existing Source Projects	3,023,678	25.00%	755,920	1,363	555
Existing Source Related Debt - INTEREST ONLY	-	0.00%	-	1,363	-
Source Subtotal	\$ 6,136,792		\$ 3,114,197		\$ 2,284.81
Storage Impact Fee					
Future 10 Year Capital Projects	\$ 2,131,583	33.10%	\$ 705,554	1,363	\$ 518
Future Storage Related Debt to be Issued - INTEREST ONLY	-	0.00%	-	1,363	-
Existing Storage Projects	1,334,572	2.00%	26,691	1,363	20
Existing Storage Related Debt - OUTSTANDING INTEREST	-	0.00%	-	1,363	-
Storage Subtotal	\$ 3,466,155		\$ 732,246		\$ 537.23
Distribution Impact Fee					
Future 10 Year Capital Projects	\$ 601,433	42.00%	\$ 252,602	1,363	\$ 185
Future Distribution Related Debt to be Issued - INTEREST ONLY	-	0.00%	-	1,363	-
Existing Distribution Projects - SPID/WEID	-	0.00%	-	1,363	-
Existing Distribution Related Debt - OUTSTANDING INTEREST	-	0.00%	-	1,363	-
Distribution Subtotal	\$ 601,433		\$ 252,602		\$ 185.33
Professional Services/ Credits					
Unspent Impact Fee Funds (Excluding Uncommitted Funds)	-	0.00%	\$ -	1,363	\$ -
Credit for Projects Benefitting Existing Users				1,363	-
Professional Services Expense	60,000	100%	60,000	1,363	44
Professional Services/Credits Subtotal	\$ 60,000		\$ 60,000		\$ 44.02
Total Impact Fee Per ERU	\$ 10,264,380		\$ 4,159,044		\$ 3,051.39

Proposed Culinary Water Impact Fees by User Class

Ward Engineering has prepared a sheet to distribute the impact fee per ERU for each service area to various user classes. Please see the impact fee resolution to review the impact fee worksheet.

Non-Standard Demand Adjustments

The District reserves the right under the Impact Fees Act (Utah Code Ann. § 11-36a-402(1)(c,d)) to assess an adjusted fee to respond to unusual circumstances and to ensure that the impact fees are assessed fairly. The impact fee resolution must include a provision that permits adjustment of the fee for a development based upon studies and data submitted by the developer that indicate a more realistic and accurate impact upon the District's infrastructure. To calculate a non-standard impact fee please see the impact fee worksheet located in the resolution.